

Message Text

UNCLASSIFIED

PAGE 01 TEHRAN 05649 161307Z

53

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 COME-00 TRSE-00 OMB-01 CIAE-00

DODE-00 PM-03 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-02

PRS-01 SP-02 SS-15 USIA-15 /074 W

----- 055249

P 161220Z JUN 75

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC PRIORITY 2005

UNCLAS TEHRAN 5649

E.O. 11652: N/A

TAGS: BGEN IR

SUBJECT: CONDUCT OF AMERICAN BUSINESS IN IRAN

REF: TEHRAN 5592 AND PREVIOUS

1. THE JUNE 15 LEAD ARTICLE IN BOTH ENGLISH LANGUAGE NEWSPAPERS WAS DEVOTED TO OUTLINING MEASURES THE GOVERNMENT IS TAKING "TO INVESTIGATE REPORTS OF CORRUPTION" APPEARING IN THE FOREIGN PRESS.

2. PRIME MINISTER HOVEYDA ANNOUNCED THAT A FIVE-MEMBER COMMISSION HEADED BY MINISTER OF STATE SAFI ASFIA HAS BEEN ESTABLISHED ON THE DIRECT ORDERS OF THE SHAH. OTHER MEMBERS ARE: PLAN AND BUDGET ORGANIZATION DIRECTOR ABDOL MAJID MAJIDI, MINISTER OF JUSTICE SADEQ AHMADI, MINISTER OF PIT KARIM MOTAMEDI AND SUPREME COURT PRESIDENT NASSER YEGANEH.

3. PM ANNOUNCED AT SAME TIME THAT GOVERNMENT WAS PREPARING A BILL FOR SUBMISSION TO PARLIAMENT UNDER WHICH COMPANIES FOUND GUILTY OF MAKING UNLAWFUL PAYMENTS TO OBTAIN OR EXECUTE GOVERNMENT CONTRACTS WOULD BE LIABLE FOR HEAVY PENALTIES, INCLUDING TERMINATION OF THE CONTRACT AND IMPOSITION OF HEAVY FINES.

4. BOTH PAPERS ALSO CITED UPI STORY ON THE PAPER "AGENTS FEES IN THE MIDDLE EAST" PREPARED BY THE PENTAGON AND SURFACED BY UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TEHRAN 05649 161307Z

SEN. GAR HART. THE KAYHAN ARTICLE INCLUDED THE FOLLOWING

PARAGRAPH:

"OUR CORRESPONDENT UNDERSTANDS THAT THE GOVERNMENT'S MOVES, WHILE SEEKING GENERALLY TO CREATE A HEALTHIER BUSINESS ATMOSPHERE, ARE AIMED SPECIFICALLY AT A NUMBER OF AMERICAN AND WEST GERMAN FIRMS WHOSE BEHAVIOR IN THEIR DEALINGS WITH IRAN, ACCORDING TO CERTAIN FOREIGN PUBLICATIONS, CAUSES DOUBT ON THEIR REPUTATION FOR HONESTY AND INTEGRITY IN BUSINESS.

5. COMMENT: GOVERNMENT SOURCES INDICATED ORIGINALLY THAT MEMBERSHIP ON COMMISSION WOULD INCLUDE CENTRAL BANK REPRESENTATIVES. HOWEVER, PRIME MINISTER'S OFFICIAL ANNOUNCEMENT LISTED MEMBERSHIP AS IN PARA 2.

6. PRESS COVERAGE DOES NOT INDICATE THAT COMMISSION IS ALSO EMPOWERED TO WRITE RULES AND REGULATIONS REGARDING RECENTLY ANNOUNCED REQUIREMENT THAT COMPANIES FILE AFFIDAVIT STATING CLEARLY THE NATURE OF ANY PAYMENTS AND NAMES OF RECIPIENTS IN CONNECTION WITH THE AWARD AND EXECUTION OF CONTRACTS. VARIOUS GOVERNMENT SOURCES UNABLE TO STATE EXACTLY WHO RESPONSIBLE FOR WRITING LEGISLATION ESTABLISHING PUNITIVE MEASURES AND WHETHER AFFIDAVIT FORMAT AND IMPLEMENTING MEASURES WILL BE INCLUDED IN BILL OR ISSUED AS INSTRUCTIONS SEPARATELY FROM LEGISLATION.

7. WILL INFORM DEPARTMENT OF DEVELOPMENTS.
MIKLOS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975TEHRAN05649
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750208-1131
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750645/aaaabowc.tel
Line Count: 87
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 TEHRAN 5592
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 14 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 FEB 2003 by PhilliR0>; APPROVED <13 FEB 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CONDUCT OF AMERICAN BUSINESS IN IRAN
TAGS: BGEN, IR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006